

AFFAIRS OF THE RAILWAYS

Despite Cut Rates the Pennsylvania Increased Its Earnings in July.

Operating Expenses, However, Were Large—New Equipment for the Chesapeake & Ohio—An Unsatisfactory Decision.

The statement of July earnings of the Pennsylvania line, both east and west of Pittsburgh, shows a handsome increase in gross earnings, a large increase in expenditures under the head of operating expenses, and as a result decreased net earnings. The statement is as follows, the comparisons being with July, 1901:

A decrease in gross earnings of \$101,110
An increase in expenses of \$20,207
A decrease in net earnings of \$80,903
The seven months of 1902, as compared with the same period of 1901, show:
An increase in gross earnings of \$1,118,931
An increase in expenses of \$1,651,495
A decrease in net earnings of \$532,564
All lines west of Pittsburgh and Erie for July, 1902, as compared with the same month in 1901, show:

A decrease in gross earnings of \$156,811
An increase in expenses of \$44,979
A decrease in net earnings of \$201,790

The seven months of 1902, as compared with the same period of 1901, show:

An increase in gross earnings of \$2,271,993
An increase in expenses of \$2,538,991
A decrease in net earnings of \$266,998

Chesapeake & Ohio Improvements.

Notwithstanding the fact that \$9,701,924

were expended on the Chesapeake & Ohio

road in the year ending June 30 in im-

proving the road-bed and increasing its

equipment, President Ingalls has by no

means carried out his plans regarding the

road. The last ten days he has been in-

specting the property and conferring with

officials of the different departments to as-

sertain their views as regards improve-

ments. As a result of these conferences,

steps have already been taken to increase

the facilities at Newport News 50 per

cent. Twenty new engines have been

contracted for, and a large quantity of new

steel rail for doubling most of its track,

and a number of iron bridges

will be contracted for in a

short time. The company will operate 1,192 miles of

its own, 105 miles of trackage rights and

sixteen miles of water line. With the forty

locomotives, 1,192 passenger cars, 1,192

freight cars and 12,000 freight cars, the

freight cars will be increased 2,000 this

year. The fixed charges, including

bonds for preferred stock and authorized

for construction, will be \$2,880,000.

The policy of bringing the existing road-

bed and equipment to modern standards

and conditions, and charging the cost as

part of the operating expenses is to be con-

tinued. President Ingalls expects that

will be some years before the road-bed

and equipment will be what he desires, but

the rapid strides made in this direction

the last eighteen months have placed the

property in a condition equal to that of

the trunk lines that have been in opera-

tion two score years.

What President Ingalls Says.

In speaking of the effects of Chancellor

McGill's decision upon the Reading rail-

road deal, President Ingalls said last

evening: "The decision will have as much

effect as if the injunction was directed

against the Sioux Indians. It will, of

course, if not disturbed by a higher

court, involve some changes in forms

of operation, such as in methods of

keeping accounts, and in the personnel

of the officials. As to its bearing in actual

results it will have none. The friends

of the Reading company own a controlling

interest in the Central Railroad of New

Jersey, and as owners of the property no

legal decision can disturb them in their

rights. Moreover, the deal in the Jersey

Central territory is controlled by the Phil-

adelphia & Reading railroad, through

the Coal and Iron Company. The Coal

and Iron Company, as the owners of

this coal, can direct as much of it, or

as little of it, as they see fit. You see

how absolute and complete is the

Reading control of the Jersey Central

and the coal situation. At the time the

lease was made there was an argument

for an alternate contract which would

accomplish the same results as the lease

contemplated. I guess Mr. McGill will

decide in favor of the lease, as it is

the Central as well as I can if it becomes

necessary. Of course we will appeal from

the decision to the higher courts."

A Decision That Meets with Criticism.

Chairman Walker, on behalf of the

commissioners of the Western Traffic Asso-

ciation, handed down a decision yesterday

which is calling out considerable adverse

criticism from the parties interested. It

is in regard to a proposed revision of the

rates and divisions on pig and manufactured

iron from the Birmingham and Chattanooga

districts to the points of the Ohio common

points. These rates are made up on a

special basis, which produces a lower rate

than would be made by the employment

of the usual method of constructing

rates to such points as that of the

appears in its inception that the method

adopting the rates was influenced by

competition from Memphis via Fort Worth.

This factor no longer exists, and the

question is now one of whether the

in question are complained of as being

abnormally and unreasonably low, and

as having the effect of compelling lines west

of St. Louis to accept an unreasonable

proportion of the through rate. After a

review of the situation the Commissioner

concludes that it would not be expedient

at the present time to attempt to force

an unwilling outside line the adoption of

the reform desired.

The Alton Hurt by Competition.

Some of the competitors of the Chicago

& Alton are disposed to laugh at that road

on account of the sudden interest dis-

played in the condition of freight rates. It

was at the instance of the Alton that

Chairman Midgley called a meeting for Sept. 7,

on the representation that certain roads

were manipulating rates. A traffic official

of one of the lines says: "A

short time ago all the South-

western Missouri river

parties to an agreement for a division of

competitive traffic. It worked very well

until the advisory board ordered the Alton

to turn over to one of its competitors a

certain portion of its freight in order to

equalize the traffic. The Alton refused to

obey the order, and the agreement was

terminated. Since that time every road has

been looking out for its own interests, and the Alton

has not fared so well."

Personal, Local and General Notes.

D. W. Rider, general superintendent of

the Jacksonville Southeastern road, yester-

day tendered his resignation, to take

effect Sept. 1.

George Bender, superintendent of the

Chicago division of the Big Four, will

return with his family to-day from a two-

week's vacation.

Hon. Thomas Wilson, of Winona, has

been appointed general solicitor of the

Omaha road at St. Paul, to succeed Colonel

Howe, who is a confirmed invalid.

John Trindle, passenger conductor on

the Vandalia, who has been in the North-

west for a month resting, returned yester-

day and will take his train to-morrow.

The Vandalia is preparing to lay another

track south of its city freight depot, its

local business having so increased as to

force the company to make the improve-

ment.

The Louisville, Evansville & St. Louis

road will make a \$15,000 loan to

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